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E.O. 12958: DNG: CO 07/03/2032
TAGS: [CH](#) [IR](#) [PARM](#) [PREL](#)

SUBJECT: REQUEST TO INVESTIGATE SHIPMENT DESTINED FOR
IRAN,S DIO

Classified By: EAP DAS Thomas J. CHRISTENSEN for REASONS 1.4 B,D

11. (S) ACTION REQUEST: Washington has information that a Chinese company with a history of procuring commodities of concern for Iran,s Ministry of Armed Forces Logistics (MODAFL) is preparing a shipment destined for Iran,s Defense Industries Organization (DIO) in possible contravention of United Nations Security Council Resolution (UNSCR) 1737. This material is being prepared for shipment in Tianjin, China. We believe that this cargo may be loaded on to a vessel for transport soon. Post should approach appropriate Chinese officials as soon as possible, inform them of this activity, and request that they immediately investigate this transfer and prevent it from leaving Chinese territory consistent with UNSCR 1737. Post should draw on any relevant background information and provide the non-paper in para 4.

OBJECTIVES

12. (S/REL CHINA) Embassy Beijing is requested to:

--Inform appropriate Chinese officials of this shipment of proliferation concern.

--Reinforce that our information indicates that this shipment is destined for Iran,s DIO.

--Remind Chinese officials that DIO is a designated entity in the annex of United Nations Security Council Resolution (UNSCR) 1737.

--Emphasize the U.S. position that shipments destined for designated entities in UNSCR 1737, 1747 or 1803 are in violation of the asset freeze provisions outlined in paragraph 12 of UNSCR 1737 and, consistent with China,s support of these resolutions, every effort should be made to prevent such shipments.

BACKGROUND

13. (S/Rel China) Washington has information that a Chinese-origin shipment or proliferation concern is being prepared for transport in the Chinese city of Tianjin. This shipment consists of the chemical diphenylamine which, while not controlled, is an ingredient in the production of ammunition propellants. Our information indicates that the end-user in Iran is DIO. Para 12 of UNSCR 1737 states that &all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of these persons and entities.8 Additionally, the Chinese supplier of this material is a firm named Wuhan Star which is a known procurement agent for Iran,s Ministry of Defense and Armed Forces Logistics (MODAFL). DIO is a MODAFL-controlled entity.

BEGIN NONPAPER

14. (S/Rel China)

-- We would like to bring to your attention a shipment of proliferation concern.

-- We have information indicating that Iran,s Defense Industries Organization (DIO) is purchasing materials from a Chinese company that will be shipped soon from the port of Tianjin, China.

-- This shipment consists of 18mt of Diphenylamine under the purchase order number: 6070/73/87HA/05-8, dated June 8, 2008 valued at approximately 26, 730 euros. The buyer for this is Sarina Trading Company based in Kerman, Iran and the seller is Wuhan Star Trading Ltd.

-- Diphenylamine is an ingredient in the production of ammunition propellants. It is most commonly used as a stabilizer in nitrocellulose-containing explosives and propellants. Diphenylamine has non-military applications as well.

-- The Sarina Trading Company based in Kerman, Iran, is a cover name used by DIO to avoid scrutiny and evade international sanctions against it. As you know, DIO is a designated entity in the annex to UNSCR 1737 and, as such, is subject to the international asset freeze called for in para 12 of the same resolution.

-- In particular, para 12 of UNSCR 1737 states that &all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of these persons and entities.8

-- In addition, Wuhan Star Trading, also known as Sel Trade Limited, is a known procurement agent for Iran,s Ministry of Defense and Armed Forces Logistics (MODAFL). DIO is a MODAFL-controlled entity.

-- Based on our information that the end-user of this shipment is DIO we request that the PRC investigate this cargo and take steps to prevent it from leaving port in violation of UNSCR 1737.

Reporting Requirement and POC

16. (U) Please report delivery of cable and any immediate response by July 10.

17. (U) Washington point-of-contact for follow-up information is Matthew Zartman (202) 647-7588, zartmanml@state.sgov.gov. Please slug all responses for ISN, T, EAP, and EUR. Washington appreciates Post,s assistance.
RICE

NNNN

End Cable Text